

# **FISCAL NOTE**

## **SB 249 - HB 1261**

April 8, 2003

**SUMMARY OF BILL:** Amends the law on certificate of need (CON) by extending the current moratorium on new intermediate care nursing home beds until June 30, 2005. Continues to allow no more than 125 new Medicare skilled nursing facility beds each year.

### **ESTIMATED FISCAL IMPACT:**

**State Expenditures - Cost Avoidance - Exceeds \$1,000,000**

**Other Fiscal Impact - Federal Expenditures - Cost Avoidance - Exceeds  
\$2,000,000**

Estimate assumes that without continuation of the limit on new nursing home beds, reimbursement by TennCare for nursing homes would increase depending upon the number of new beds and the average cost per bed. It is assumed that a significant number of new beds would be added beginning July 1, 2003 without continuation of the current CON moratorium. The current cost for a single intermediate level nursing home bed is approximately \$28,465 per year, of which \$10,247 is state funded.

According to the TennCare Bureau, the 125 additional skilled nursing home beds will all be utilized by Medicare patients.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director